

RESOLUTION NO. 1832

**A RESOLUTION OF THE TOWN OF SURFSIDE FLORIDA,
FLORIDA AUTHORIZING THE TOWN MANAGER TO
ENTER INTO AN AGREEMENT WITH PFM GROUP TO
PERFORM FINANCIAL ADVISOR SERVICES TO THE
TOWN; AUTHORIZING THE MANAGER TO DO ALL
THINGS NECESSARY TO EFFECTUATE THE TERMS OF
THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE
DATE**

WHEREAS, the Town of Surfside issued RFP 04042008 seeking responsive and responsible firms to provide financial advisor services to the Town; and

WHEREAS, the Town has considered the proposals submitted in response to the RFP and has determined that PFM Group is the lowest most responsible and responsive bidder in accordance with the applicable codes and ordinances of the Town; and

WHEREAS, PFM Group has agreed to enter into an agreement ("Agreement") based on the terms of the RFP and its proposal ("Proposal"); and

WHEREAS, the Town Commission has determined that it is in the best interests of the Town to enter into an Agreement with PFM Group to perform the services as set forth in the RFP and Proposal and hereby authorizes the Town Mayor to enter an agreement with PFM Group to perform the aforementioned services.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION
OF THE TOWN OF SURFSIDE, FLORIDA, AS FOLLOWS:**

Section 1. Recitals Adopted. That each of the above stated recitals are hereby adopted, confirmed, and incorporated herein.

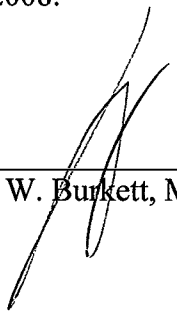
Section 2. Acceptance of Proposal. The Town Mayor is hereby authorized to enter into an agreement with PFM Group to perform the above-described financial

advisor services, and to execute an Agreement based on the terms of the RFP, once approved as to form and legal sufficiency by the Town Attorney.

Section 3. **Implementation.** The Town Manager is hereby authorized to take all action necessary to implement this Resolution in accordance with the terms, conditions and purposes of this Resolution and the Agreement.


Section 4. **Effective Date.** That this Resolution shall be effective immediately upon adoption.

PASSED and ADOPTED on this 13th day of May, 2008.



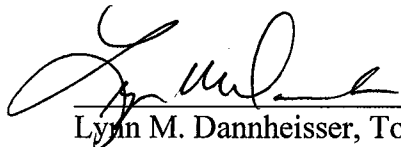
Charles W. Burkett, Mayor

Attest:



Beatris M. Arguelles, CMC
Town Clerk

**APPROVED AND TO FORM AND
LEGAL SUFFICIENCY:**



Lynn M. Dannheisser, Town Attorney

Resolution No. 2008-1832



The PFM Group

Public Financial Management, Inc.
PFM Asset Management, LLC
PFM Advisors

2100 Ponce de Leon Blvd
Suite 1100
Coral Gables, FL 33134

305 448-6992
305 448-7131 fax
www.pfm.com

April 4, 2008

Beatris M Arguelles, CMC
Town Clerk
Town of Surfside
9293 Harding Avenue
Surfside, Florida 33154

Dear Mrs. Arguelles:

The PFM Group ("PFM") is pleased to submit our proposal to serve as financial advisor to the Town of Surfside, Florida (the "Town"). PFM was founded over thirty years ago with the goal of creating an independent financial advisor with technical resources matching those of the best Wall Street investment banks. This commitment continues today. As a result, PFM has grown to be the leading financial advisor in the State of Florida and the nation.

In the following response, we introduce PFM as a financial advisor that is very different from our competitors. PFM's complete independence is significant, but it is just the beginning of our unique qualifications. While our independence consistently protects our clients and our firm from potential conflicts of interest and the resulting regulatory problems, it is our people, our technical resources, and our experience that are the keys to our success. We are confident that you will find that the breadth of our experience with Florida public finance as well as the depth of our financial planning expertise uniquely qualify PFM to serve the Town with this special financial advisory service.

The following points highlight some of our qualifications:

- **Firm Experience** – PFM is the number one ranked financial advisor in the nation and we consistently top the Florida rankings. Of greater importance to the Town is the fact that PFM continues to develop new resources and tools to serve our clients. The "value added" by PFM is evidenced not only by our experience with these types of projects, but also by the fact that PFM continues to add clients throughout the State and nation.
- **Independence and Commitment** – PFM is a company whose sole business is to provide issuers of municipal debt with a full line of advisory services. We are not underwriters, nor do we engage in any securities trading or sales. We do not participate as swap counterparties. Therefore, PFM completely avoids all the conflicts of interest that are inherent when investment banking and securities trading firms also provide financial advisory services.

PFM's First Place Ranking Overall Long-Term 2003 - 2007		
	Per Amount (millions)	# of Transactions
2007	43,367.1	625
2006	35,340.2	711
2005	39,537.2	891
2004	33,863.0	793
2003	39,226.5	898

*"We are what we repeatedly
do. Excellence then, is not
an act, but a habit."
- Aristotle*



- **Personnel** – There are a number of experienced financial advisory and investment banking professionals in the State of Florida. The Town faces the challenge of selecting a specific team of professionals that can deliver the highest quality *financial advisory* services. Upon a comprehensive review of our experience, it will be evident that we have the relevant and recent experience required to meet the Town's needs. Our team is comprised of professionals with similar experience.
- **Local Presence** – PFM is a national full-service independent financial advisory firm with a strong presence in the State of Florida. PFM will provide the Town with unmatched financial advisory services based on a thorough understanding of the Town's unique attributes as well as a thorough understanding of the Florida landscape. Specifically, PFM has helped various cities in developing plans of finance and implementing financings to develop their capital plan. As you will find in the body of this response, PFM helped similar sized municipalities such as the City of Boca Raton, and the City of New Port Richey. In addition, PFM has multi-billion dollar experience with larger issuers such as Miami-Dade County, Orange County, and the City of Jacksonville. PFM's Miami office will assume primary responsibility for the engagement, with analytical support from the Orlando office and additional support from industry specialists and financial product professionals throughout the firm.

We have reviewed the scope of work and understand what will be required of PFM should we be selected as the Town's financial advisor. PFM is capable of meeting the requirements outlined in the RFP. We are ready to go to work and commit to complete any and all assigned tasks in a professional and timely manner. Thank you for your consideration of our proposal.

Sincerely,
Public Financial Management, Inc.

A handwritten signature in dark ink, appearing to read "Hal W. Canary", is positioned above the printed name.

Hal W. Canary, CPA
Managing Director

A handwritten signature in dark ink, appearing to read "Sergio D. Masvidal", is positioned above the printed name.

Sergio D. Masvidal
Senior Managing Consultant



Detailed Proposal



Detailed Proposal

The PFM Group ("PFM"), including Public Financial Management, Inc. and PFM Asset Management LLC, was founded in 1975 with a staff of five. Today PFM is the nation's leading provider of independent financial and investment advisory services with offices throughout the United States. PFM has been the **number one** ranked financial advisor in the nation for five consecutive years. PFM is the only financial advisory firm to offer a full array of investment advisory services including active and passive strategies. When PFM is hired, depending upon their needs, our clients can have access to any of our five primary business activities:

Financial Advising: managing transactions related to debt issuance;

Investment Management: providing investment advice and portfolio management for working capital and bond proceeds;

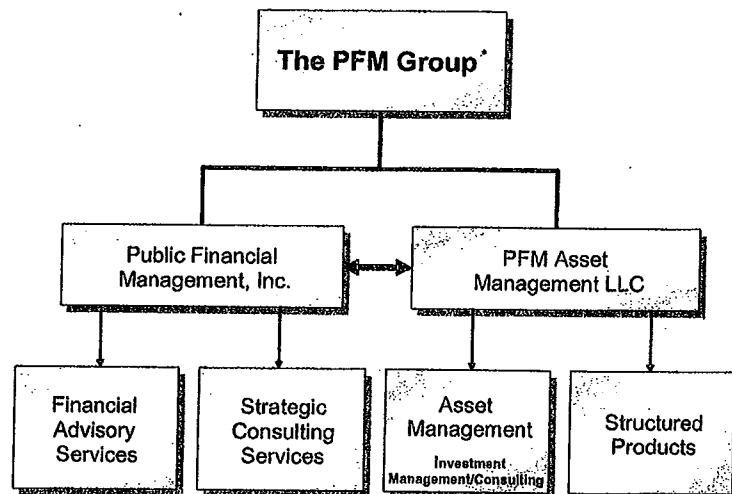
Investment Consulting: structuring simple, reliable, and fundamentally sound asset management strategies and retirement plans;

Strategic Consulting: offering highly effective capital and operating budget advice;

Structured Products: developing innovative financing techniques and investment products.

Regardless of which service you may need, PFM serves only one interest: that of our clients and no one else.

This fact, coupled with our proven track record and comprehensive approach to finance, makes PFM a leader in providing sound, independent financial and investment advisory services to local and state governments as well as institutional borrowers and investors.



* We use the term "The PFM Group" to refer collectively to Public Financial Management, Inc. and PFM Asset Management LLC. It is not a separate entity.



Detailed Proposal

Financial Advisor

As a financial advisor, Public Financial Management, Inc. engages in capital planning, revenue forecasting and evaluation, resource allocation, debt management policy development and debt transaction management (including structuring, documentation and execution).

PFM delivers superior experience and expertise that helps clients resolve the myriad of technical and financial concerns they routinely confront during the capital formation process. Our national reputation and consistent growth, from \$5 billion in managed debt transactions in 1986 to \$35.3 billion in 2006, reflect our clients' recognition of our capabilities and the value we add.

Investment Manager

PFM Asset Management LLC provides investment management services to local municipalities and public agencies. The accounts under management consist of operating funds, working capital funds, insurance reserves, bond proceeds and other governmental funds with an investment horizon of one day to ten years.

As an investment manager, PFM brings a comprehensive spectrum of services to the business of money management. PFM manages both investment pools and individual client portfolios designed to earn competitive yields, while maximizing safety and liquidity. Services include timely market-driven portfolio management, portfolio design, state-of-the-art accounting and arbitrage rebate calculation services. PFM currently advises and consults on approximately \$58.4 billion, including \$26.5 billion in which we provide discretionary active portfolio management, \$969 million for non-discretionary assets and an additional \$30.9 billion for which we provide investment consulting services.

Investment Consultant

PFM Advisors is a specialized component that provides investment and retirement plan consulting services to pension funds, endowments and similar funds.

PFM Advisors believes that a true partnership with our clients can only be achieved by fully understanding the unique characteristics of their fund. Structuring simple, reliable, and fundamentally sound asset and retirement planning management strategies results in predictable investment returns, sound vendor services and few surprises. PFM Advisors clients include public funds, Taft-Hartley funds, corporate funds, hospital, foundation and endowment funds.

Strategic Consultant

As a strategic consultant, Public Financial Management, Inc. offers its clients the most effective capital and operating budget advice available.

We have a proven track record in using various techniques for performance management, benchmarking, revenue enhancement and privatization. From Washington, D.C. to the Commonwealth of Pennsylvania to Los Angeles County, PFM helps leaders chart a path through each phase of fiscal health...from financial distress to balance...from balance that is temporary to



Detailed Proposal

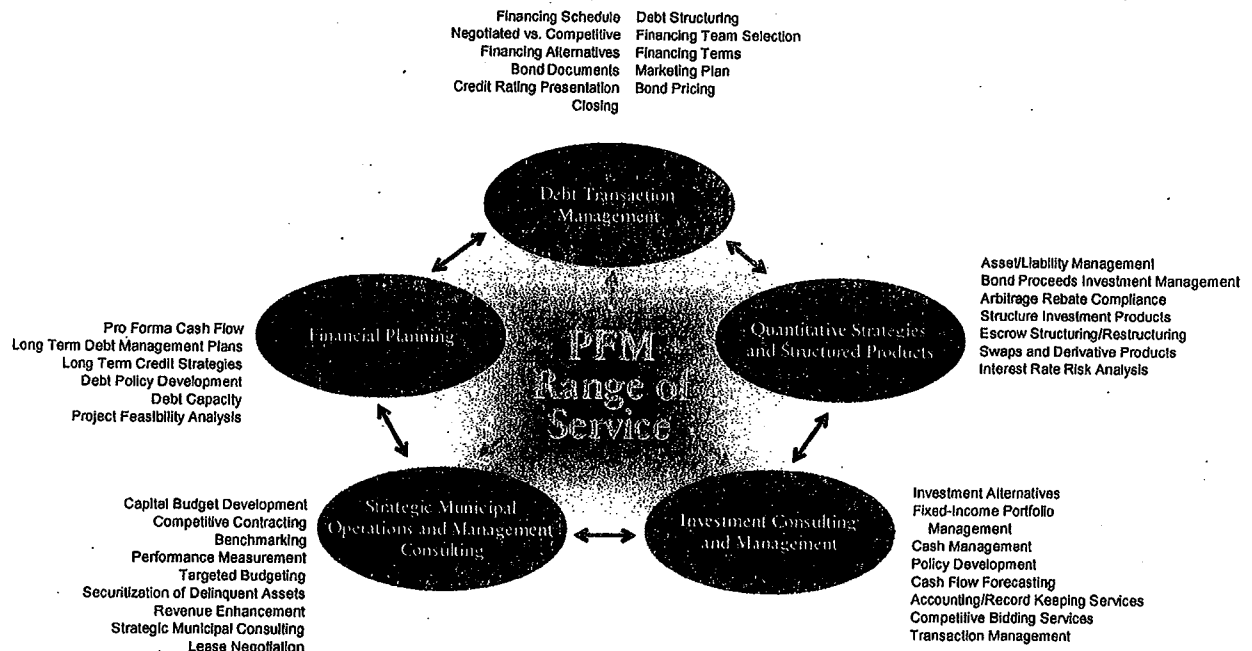
that which can be sustained...from sustainability to expanded coverage and excellent quality.

Structured Products

PFM Asset Management LLC has a group of professionals dedicated to advising clients on the use of cutting edge structured financial products. The Structured Products Group assists municipal issuers in structuring and procurement of interest rate swaps, caps and collars to help reduce financing costs.

On the asset side, the Structured Products Group assists issuers in structuring and procurement of forward delivery agreements, guaranteed investment contracts, flexible repurchase agreements and asset swaps. The Structured Products Group is responsible for structuring and restructuring advance refunding escrow portfolios for PFM's clients.

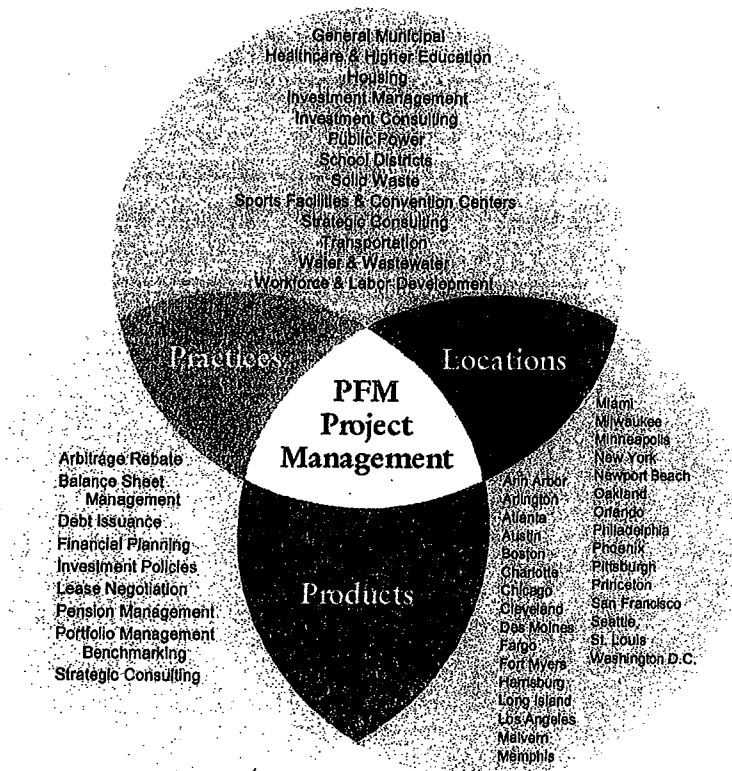
With our comprehensive orientation, PFM is unique among financial advisors, who more typically only manage debt transactions. Only PFM offers its clients an integrated array of services designed to meet all their financial needs. We develop innovative financing solutions for our clients' problems, and lead the public finance industry in the introduction of financing techniques designed specifically to enhance governmental access to the capital markets. As a national firm, PFM is able to offer an unrivaled breadth of experience and market expertise. Our scope of services is structured into the following areas:





Detailed Proposal

We serve our clientele by creating project teams comprised of experts in specific financing techniques, governmental businesses and geographic regions. These project teams are designed to meet the specific needs of individual clients. One project may require experience with community development agencies, understanding tax increment financing and familiarity with local politics, while another may need experience with lease-backed transactions, public/private negotiations and city/county funding models. Our specialized project teams ensure that our clients receive complete and thorough advice directly from the optimal mix of PFM professionals.



PFM's flexible project-oriented approach to staffing engagements enables us to bring the proper mix of resources and experience to bear on a given client's problem or transaction. We can develop solutions to our clients' concerns that are responsive to multiple constituencies. The project-oriented approach also facilitates the development of close working relationships among our many professionals. This approach fosters information sharing and innovation, enhances junior staff mentoring and otherwise accelerates professional development.



Detailed Proposal

Over its thirty-two year history, PFM has built a solid presence in the municipal marketplace. We have been involved in financing programs totaling in excess of \$363 billion. In 2007, PFM advised on 625 bond transactions with a total volume of over \$43 billion.

2007 Year End Overall Long-Term Municipal New Issues

National Municipal Financial Advisory Ranking

Source: The Bond Buyer/Securities Data Company

PFM's First Place Ranking Overall Long-Term 2003 - 2007		
	Par Amount (millions)	# of Transactions
2007	43,367.1	625
2006	35,340.2	711
2005	39,537.2	891
2004	33,863.0	793
2003	39,226.5	898

"We are what we repeatedly
do. Excellence then, is not
an act, but a habit."
- Aristotle

	# transactions	dollars in millions
PFM	625	43,367.1
First Southwest Company	630	29,292.4
Public Resources Advisory Group	97	27,253.4
RBC Capital Markets	244	11,318.6
Kaufman, Hall & Associates Inc.	75	8,550.3
Lamont Financial Services Corp.	42	5,884.5
Morgan, Keegan & Co. Inc.	71	5,679.9
Ponder & Co.	60	5,624.7
Raymond, James & Associates Inc.	5	5,517.2
Kelling, Northcross & Nobriga	77	4,887.3

Although rankings provide a shorthand method of measuring success, the length of service and level of satisfaction we provide our clients is a better measure of true success. At PFM, we view our decade-long association with many clients as an affirmation of our ability to service their needs thoughtfully and efficiently. We are committed to developing long-term relationships with our clients to ensure that their interests are protected and their goals are achieved.

In developing this impressive history of value added service to our clients, PFM purposefully adopted a strategy to garner the largest market share when calculated based on both the number and size of transactions managed. We reasoned that managing a large number of transactions would make us an experienced player in the capital markets, thereby allowing us to provide our clients with fresh market information. We know the preferences of the investor community and the financial and credit structures that are currently best accepted. We know which investors are active buyers, the types of securities they currently prefer, and the maximum price they are willing to pay for a given security. Additionally, we know what constitutes reasonable compensation levels for other professional services rendered during the transaction. With this current information, PFM can structure transactions to minimize our clients' cost of borrowing.

At the same time, given the number of transactions we manage each year, PFM has a broad and deep network of capital market professionals with which we interact. This network of investors, underwriters, bankers, credit specialists and lawyers facilitate the transaction management process to our



Detailed Proposal

clients. As the largest financial advisory firm, PFM has the ability to solve our clients' intractable problems by using our market power to move the agenda. Our constant participation in the markets only serves to further enhance our ability to do so.

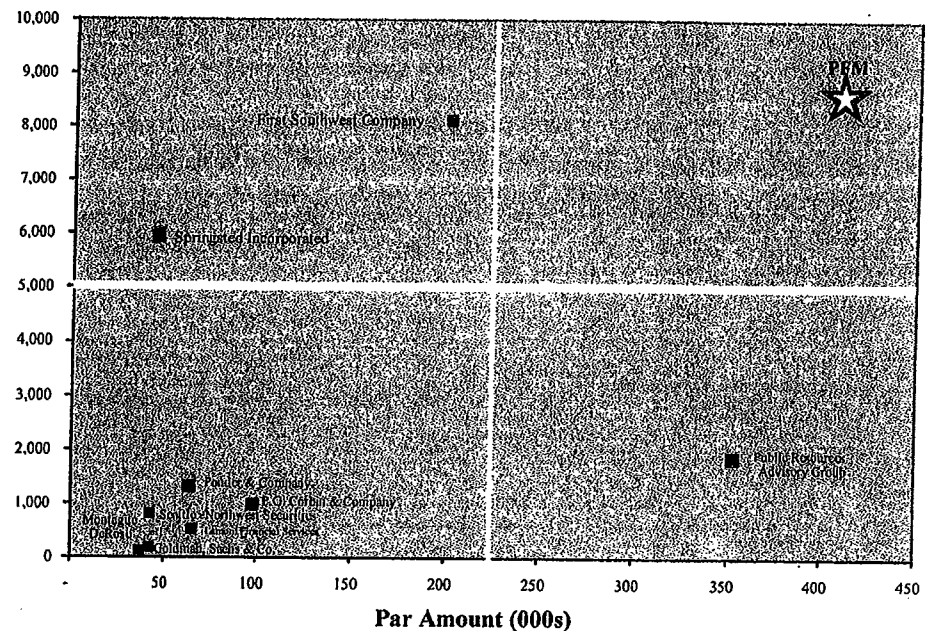
1984-2007 Financial Advisory Experience Volume/Experience Matrix

National Municipal Finance Advisory Ranking

Source: The Bond Buyer/Securities Data Corporation

Over the last 23 years, PFM stands apart from other independent financial advisors by combining par value and number of transactions. Among the nationally known financial advisory firms, only PFM combines the experience gained in completing large numbers of transactions with the sophistication and analytic capability required to bring transactions of high par value to market.

Transactions



Besides managing a large number of transactions, PFM also serves as financial advisor on many of the largest transactions brought to market each year. These transactions often involve intricate financial plans, the sale of sophisticated securities, high-end quantitative modeling and complicated tax analysis. Our managing such transactions ensures that PFM remains on the cutting edge of the public finance industry. Our clients benefit from our ability to optimize their transactions using the complete array of structures, securities and techniques available.

PFM is the only financial advisory firm to also offer a full array of investment advisory services including active and passive strategies. PFM Asset Management LLC currently advises and consults on approximately \$58.4 billion. We provide advice on structured products such as interest rate swaps and guaranteed investment contracts with an annual value of more than \$20.6 billion. Again, among financial advisors, only PFM participates in the capital markets so broadly.



Detailed Proposal

PFM has been committed to serving Florida issuers since 1985 and consistently ranks among the top financial advisors in the State. It has been and continues to be our goal to provide the highest level of service and commitment to all of our Florida clients. In 2007, PFM was the number one ranked financial advisor for tax-exempt transactions.

While enjoying the experience and reputation of a national firm, PFM also offers the Town of Surfside the depth of understanding and commitment of a local firm.

2007 Year End Florida Tax Exempt Long-Term Municipal New Issues

National Municipal Financial Advisory Ranking

Source: The Bond Buyer/Securities Data Company

	# transactions	dollars in millions
PFM	61	4,960.4
First Southwest Company	18	1,373.8
Ponder & Co.	4	1,244.9
Raymond, James & Associates Inc.	1	1,062.5
Ford & Associates	18	939.6
RBC Capital Markets	18	801.0
Kaufman, Hall & Associates Inc.	7	760.7
Fidelity Financial Services	7	733.9
CSG Advisors Incorporated	18	625.0
SunTrust Capital Markets Inc.	8	522.0



Detailed Proposal

As a result of our commitment to Florida, PFM has established a strong presence in the state. We at PFM are extremely proud of our position as the number one ranked financial advisory firm in the State of Florida. As highlighted below, PFM advises more cities than any other firm in Florida and these clients range from some of the largest cities in the state to small rural cities. PFM offers its Florida clients a level of expertise that is unmatched in the state or nation. While enjoying the experience and reputation of a national firm, PFM also offers clients the depth of understanding and commitment of a local firm.

PFM's Florida Clients

Cities

Alachua
Bay Harbor Island
Boca Raton
Brooksville
Clermont
Coral Gables
Crystal River
Dade City
Delray Beach
Gainesville
Jacksonville
Jupiter
Key West
Longboat Key
Melbourne
Melbourne Beach
New Port Richey
North Port
Ormond Beach
Oviedo
Riviera Beach
St. Cloud
St. Petersburg
Sanibel
Sebring
Stuart
Sunrise
Tallahassee
Tarpon Springs
Titusville
Winter Haven
Winter Garden
Winter Springs

School Districts

Broward
Columbia
Flagler
Lake
Manatee
Martin
Palm Beach
Sarasota
Santa Rosa
Seminole
Volusia

Counties

Alachua
Brevard
Clay
Collier
Flagler
Glades
Hendry
Highlands
Hillsborough
Lee
Leon
Marion
Miami-Dade
Monroe
Orange
Osceola
St. Johns
St. Lucie
Volusia

Other Authorities

First Florida Governmental
Financing Commission
Florida Municipal Council
South Florida Water Management
District
St. Johns Industrial Development
Authority
Sunshine State Governmental
Financing Commission

Special Districts

Alachua Library District
Bay Colony Special
Recreation District
Blueprint 2000
Englewood Water District
Riverwood Community Development District

Healthcare

BayCare Health System
Health Central
Health First
Jupiter Medical Center
Lee Memorial Health System
NCH Healthcare System
North Broward Hospital District
Orange County Health Facilities
Authority
Parrish Medical Center
Presbyterian Retirement Communities
South Broward Hospital District
Wuesthoff Health System

The State of Florida

Florida Department of
Transportation
Division of Bond Finance

Transportation

Central Florida Regional
Transportation Authority
Florida High Speed Rail
Authority
Jacksonville Aviation Authority
Jacksonville Seaport Authority
Jacksonville Transportation Authority
Lee County Toll Facilities
Southwest Florida Expressway
Authority

Higher Education

Broward County Educational
Facilities Authority
Embry-Riddle Aeronautical
University
Flagler College
Jacksonville University
New College
Nova Southeastern University
Ringling School of Art
and Design
Rollins College
Stetson University
University of South Florida

Utilities

Atlantic Utilities of Sarasota
Bonita Springs Utilities
Clay County Utility Authority
Gainesville Regional Utilities
Jacksonville Electric
Authority
Orlando Utilities Commission